Isla Lipana & Co.

BPI PERA Corporate Income Fund

Financial Statements
As at and for the years ended December 31, 2025 and 2024

Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
BPI PERA Corporate Income Fund
26th and 27th Floor, Ayala Triangle Gardens 2
Paseo de Roxas corner Makati Avenue
Makati City

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BPI PERA Corporate Income Fund (the "Fund") as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of total comprehensive income for the years ended December 31, 2025 and 2024;
- the statements of changes in net assets attributable to holders of redeemable units for the years ended December 31, 2025 and 2024;
- the statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines ("Code of Ethics"), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Other Matter - Restriction on Use

This report is intended solely for the information and use of the unitholders, the trustee of BPI PERA Corporate Income Fund and the Bangko Sentral ng Pilipinas and is not intended for any other purpose.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Isla Lipana & Co.

Dexter DJ V. Toledaña
Partner
CPA Cert. No. 0121827
P.T.R. No. 0032961; issued on January 8, 2026 at Makati City
SEC A.N. (individual) as general auditors 121827-SEC, Category A;
valid to audit 2022 to 2026 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements
T.I.N. 255-979-765
BIR A.N. 08-000745-241-2026, issued on January 16, 2026; effective until January 15, 2029
BOA/PRC Reg. No. 0142/P-031, effective until November 14, 2028

Makati City
June 22, 2026

BPI PERA Corporate Income Fund

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Deposits in banks	2	640,217	296,759
Financial assets at fair value through profit or loss	3, 9	21,474,069	17,898,800
Receivables	4	243,779	176,662
Total assets		22,358,065	18,372,221
Liabilities and Net assets attributable to holders of redeemable units			
Current liabilities			
Accounts payable and accrued expenses	5	26,176	222,818
Net assets attributable to holders of redeemable units	6	22,331,889	18,149,403
Total liabilities and net assets attributable to holders of redeemable units		22,358,065	18,372,221

The notes on pages 1 to 16 are an integral part of these financial statements.

BPI PERA Corporate Income Fund

Statements of Total Comprehensive Income
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Income			
Net income (loss) on financial assets at fair value through profit or loss			
Interest income	3	1,252,026	939,574
Fair value gain (loss)	3	15,093	(67,469)
Realized loss on sale	3	(54,503)	(622)
Interest income on deposits in banks	2	18,474	8,218
Dividend income	3	509	509
Other income		12,600	-
		1,244,199	880,210
Expenses			
Trust fees	8	253,944	201,347
Others	7	10,089	16,448
		264,033	217,795
Income before income tax		980,166	662,415
Income tax expense		-	-
Net Income for the year		980,166	662,415
Other comprehensive income		-	-
Total comprehensive income for the year		980,166	662,415

The notes on pages 1 to 15 are an integral part of these financial statements.

BPI PERA Corporate Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Balances as at January 1		18,149,403	14,443,773
Comprehensive income			
Net income for the year		980,166	662,415
Other comprehensive income		-	-
Total comprehensive income for the year		980,166	662,415
Transactions with unitholders			
Issuance of units	6	3,383,207	3,328,403
Redemption of units	6	(180,887)	(285,188)
Total transactions with unitholders		3,202,320	3,043,215
Balances as at December 1	6	22,331,889	18,149,403

The notes on pages 1 to 15 are an integral part of these financial statements.

BPI PERA Corporate Income Fund

Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Income before tax		980,166	662,415
Adjustments for:			
Net (income) loss on financial assets at fair value through profit or loss:			
Fair value (gain) loss	3	54,503	67,469
Realized loss on sale	3	(15,093)	622
Interest income	3	(1,252,026)	(939,574)
Interest income on deposits in banks	2	(18,474)	(8,218)
Dividend income	3	(509)	(509)
Operating loss before changes in working capital		(251,433)	(217,795)
Changes in working capital			
Increase in accounts payable and accrued expenses		3,771	5,073
Net cash used in operations		(247,662)	(212,722)
Proceeds from sale of securities	3	2,548,191	2,804,935
Payments on acquisition of securities	3	(6,363,283)	(6,383,585)
Interest received	2, 3, 4	1,232,019	904,010
Dividends received	3, 4	1,873	(855)
Net cash used in operating activities		(2,828,862)	(2,888,217)
Cash flows from financing activities			
Proceeds from issuance of redeemable units	6	3,353,207	3,328,403
Payments for redemptions of redeemable units	6	(180,887)	(285,188)
Net cash from financing activities		3,172,320	3,043,215
Net increase in deposits in banks		343,458	154,998
Deposit in banks			
At January 1		296,759	141,761
At December 31	2	640,217	296,759

The notes on pages 1 to 15 are an integral part of these financial statements.

BPI PERA Corporate Income Fund

Notes to the Financial Statements
As at and for the years ended December 31, 2025 and 2024
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 General information

BPI PERA Corporate Income Fund (the "Fund") is a Unit Investment Trust Fund (UITF) established pursuant to the related provisions under Republic Act No. 9505 (otherwise known as the "Personal Equity and Retirement Account Act of 2008") and operated subject to the provisions of the Fund's Plan Rules and regulations issued by the Bangko Sentral ng Pilipinas (BSP). UITFs are created by virtue of BSP Circular No. 447 which governs the administration and investments of UITFs and requires that an external audit of the Fund be conducted annually. The Fund was launched as a UITF on December 19, 2016.

The Fund was organized to engage in the sale of its units and investment of the proceeds thereof in a diversified mix of fixed income and equity securities primarily issued by Philippine corporations. As an open-end pooled trust fund, the Fund stands ready at any time to redeem its outstanding units at a value defined under the Fund's Plan Rules.

The Fund has no employees. The principal management and administration functions of the Fund are outsourced to BPI Wealth - A Trust Corporation (“BPI Wealth” or the “Fund Manager”). The Fund Manager is a wholly-owned subsidiary of Bank of the Philippine Islands (“BPI” or “Parent Bank”), a domestic commercial bank with an expanded banking license in the Philippines. The Fund Manager’s registered office address, which is also its principal place of business, is at 26th and 27th Floor Ayala Triangle Gardens 2, Paseo de Roxas corner Makati Avenue, Makati City.

The Fund's proprietary assets and/or assets owned within and outside the Philippines are under the custody of Deutsche Bank AG Manila.

Approval of the financial statements

These financial statements have been approved and authorized for issuance by the Fund's Trustee on June 17, 2026. There are no material events that occurred from June 17 to 22, 2026.

2 Deposits in banks

	2025	2024
Savings	619,000	276,000
Time	21,217	20,759
	640,217	296,759

In 2025, time deposit earn interest at effective rates ranging from 3.32% to 4.15% (2024 - 3.76% to 6.20%). Savings deposits are non-interest bearing.

For the year ended December 31, 2025, interest income earned from the above deposits amounts to P18,474 (2024 - P2,182). Interest receivable amounts to P114 (2024 - 152) as at December 31, 2025 (Note 4).

3 Financial assets at fair value through profit or loss (FVTPL)

The account at December 31 consists of the following investments that are considered held for trading:

	2025	2024
Corporate debt securities	21,464,069	17,888,900
Listed equity securities	10,000	9,900
	21,474,069	17,898,800

The detailed list of investments is presented in Note 9.

In 2025 investments in corporate debt securities earn interest at annual rates ranging from 4.20% to 7.53% (2024 - 2.79% to 8.51%).

For the year ended December 31, 2025, interest income earned from investments in corporate debt securities amounts to P1,252,026 (2024 - P939,574), of which P213,665 (2024 - P175,146) remains collectible as at December 31, 2025 (Note 4).

For the years ended December 31, 2025 and 2024, dividend income earned from investments in listed equity securities amount to P509. Dividends receivable as at December 31, 2025 amounts to nil (2024 - 1,364) (Note 4).

Movements in the account for the years ended December 31 follows:

	2025	2024
At January 1	17,898,800	14,187,828
Additions	6,162,870	6,583,998
Disposals/maturities	(2,602,694)	(2,805,557)
Fair value adjustment, net	15,093	(67,469)
At December 31	21,474,069	17,898,800

Payments on acquisitions of securities in 2025 amount to P6,363,283 (2024 - P6,383,585).

For the year ended December 31, 2025, proceeds from disposals of financial assets at FVTPL amount to P2,548,191 (2024 - P2,804,935). Realized loss on sale of financial assets at FVTPL presented in the statements of total comprehensive income amounts to P54,503 (2024 - P67,469).

4 Receivables

The account at December 31 consists of:

	Notes	2025	2024
Interest receivable	2, 3	213,779	175,298
Capital shares receivable		30,000	-
Dividend receivable	3	-	1,364
		243,779	176,662

Capital shares receivable pertains to subscriptions made by investors with outstanding collections as at year-end.

5 Accounts payable and accrued expenses

The account at December 31 consists of:

	Note	2025	2024
Trust fees payable	8	23,438	19,020
Accrued professional fees		2,000	2,000
Securities purchased payable		-	200,413
Other payable		738	1,385
		26,176	222,818

6 Net asset attributable to holders of redeemable units

The consideration received or paid for units issued or redeemed is based on the value of the Fund's net asset value (NAV) per redeemable unit at the date of transaction. The total equity as shown in the statements of financial position represents the Fund's NAV based on Philippine Financial Reporting Standards (PFRS NAV).

NAV consists of principal and accumulated earnings.

As at December 31, 2025, the PFRS NAV is equal to the Fund's trading NAV amounting to P22,333,071 (2024 - 18,150,708) decreased by an adjustment on accrual of professional fees amounting to P1,182 (2024 - decreased by P1,305). This adjustment is due to timing differences only and does not materially affect the reported trading NAV of the Fund.

Details of the Fund's trading NAV per unit at December 31 follows:

	2025	2024
Trading NAV	22,333,071	18,150,708
Outstanding units	17,746,789	15,143,880
NAV per unit	1.26	1.20

Proceeds from issuance and payments for redemptions of units for the year ended December 31, 2025 amount to P3,353,207 and P180,887, respectively (2024 - P3,328,403 and P285,188, respectively).

The movements in the number of redeemable units of the Fund are as follows:

	2025	2024
At January 1	15,143,880	12,572,844
Issuances	2,747,375.00	2,817,102
Redemptions	(144,466)	(246,066)
At December 31	17,746,789	15,143,880

7 Other expenses

The account for the years ended December 31 consists of:

	2025	2024
Professional fees	6,916	1,124
Custody fees	1,203	316
Others	1,970	15,008
	10,089	16,448

The Fund has an existing custodian agreement with Deutsche Bank AG Manila for custodial services of the Fund's proprietary assets and/or assets owned in the Philippines. Relative to this, the Fund pays monthly custodian fees of not more than 0.0025% (2024 - 0.0169%) of the average daily NAV of the Fund.

Others pertain to real-time gross settlement fees, time deposit placement fees and trade transfer fees.

8 Related party transactions

As the Fund's Trustee, BPI Wealth shall have the exclusive management, administration, operation and control of the Fund and full discretion in respect of investments, and the sole right, at any time, to sell, convert, reinvest, exchange, transfer or otherwise change or dispose of the assets comprising the Fund.

In consideration for the management, distribution and administration services, the Fund pays BPI Wealth a fee of not more than 1.25% per annum based on the Fund's average daily NAV, net of applicable taxes.

Total trust fees for the year ended December 31, 2025 amount to P253,944 (2024 - P201,347), of which P23,438 (2024 - P19,020) remains unpaid and recorded under accounts payable and accrued expenses in the statements of financial position as at December 31, 2025 (Note 5).

There were no remunerations paid by the Fund to the members of the Trustee's Board of Directors.

Transactions with the Parent Bank

In the normal course of business, the Fund transacts with the Trustee's Parent Bank, BPI. These transactions such as deposit arrangements are made in the normal operating activities and have terms and conditions that are generally comparable to those offered to non-related parties and to similar transactions in the market. All amounts are payable in cash at gross amount.

Details of the transactions and outstanding balances with BPI are as follows:

As at and for the year ended December 31, 2025	Transactions for the year, net	Outstanding balance	Terms and conditions
Savings deposits	458	21,217	These are non-interest bearing savings deposits.
As at and for the year ended December 31, 2024			
Savings deposits	(3,002)	20,759	These are non-interest bearing savings deposits.

The Fund's units are being distributed through the BPI branches. BPI acts as the receiving bank for the subscriptions and redemptions related to the Fund.

9 Breakdown of financial assets at FVTPL

The details of the Fund's investments are as follows:

As at December 31, 2025

Security description	Maturity date	Market value
Philippine corporate debt securities		
Energy Development Corporation	May 27, 2031	2,823,789
Converge Information and Communications Technology Solutions, Inc.	April 8, 2027	2,191,891
NLEX Corporation	July 4, 2028	2,141,216
Filinvest Land, Inc.	June 1, 2027	1,597,753
Petron Corporation	July 7, 2030	1,294,687
SM Prime Holdings, Inc.	April 22, 2032	1,163,713
Aboitiz Equity Ventures, Inc	September 21, 2033	1,044,511
Robinsons Land Corporation	August 26, 2027	1,010,070
SM Prime Holdings, Inc.	July 26, 2026	773,217
Ayala Land Inc.	July 18, 2034	696,331
Maynilad Water Services, Inc.	July 12, 2034	569,741
Ayala Land Inc.	October 10, 2033	506,443
Filinvest Development Corporation	August 7, 2026	498,738
SM Investments Corporation	February 18, 2027	494,061
Rizal Commercial Banking Corporation	January 17, 2028	472,295
Robinsons Land Corporation	June 30, 2028	393,777
Aboitiz Equity Ventures, Inc.	August 6, 2027	365,645
Ayala Land Inc.	July 4, 2029	358,816
Filinvest Land, Inc.	June 23, 2027	348,118
Filinvest Land, Inc.	March 12, 2030	297,714
Robinsons Land Corporation	June 30, 2026	290,406
Ayala Land Inc.	May 5, 2028	289,107
Ayala Land Inc.	June 26, 2033	287,755
Aboitiz Equity Ventures, Inc.	June 18, 2029	245,951
Aboitiz Power Corporation	December 2, 2028	238,205
Ayala Land Inc.	May 6, 2026	229,697
SM Prime Holdings, Inc.	March 25, 2027	198,595
SM Prime Holdings, Inc.	February 25, 2035	196,315
Ayala Land Inc.	November 13, 2034	188,618
Aboitiz Equity Ventures, Inc.	December 7, 2029	157,701
Ayala Land Inc.	May 2, 2027	99,193
		21,464,069

Security description	No. of shares	Market value
Listed equity securities		
GT Capital Holdings, Inc.	10	10,000
		10,000
		21,474,069

As at December 31, 2024

Security description	Maturity date	Market value
Philippine corporate debt securities		
NLEX Corporation	July 4, 2028	2,166,560
Converge Information and Communications Technology Solutions, Inc.	April 8, 2027	2,143,563
Energy Development Corporation	May 27, 2031	1,902,997
Filinvest Land, Inc.	June 1, 2027	1,580,440
Robinsons Land Corporation	August 26, 2027	987,776
SM Prime Holdings, Inc.	April 22, 2032	771,726
SM Prime Holdings, Inc.	July 26, 2026	749,532
Aboitiz Power Corporation	October 25, 2028	665,342
Energy Development Corporation	May 27, 2031	574,679
Ayala Land Inc.	October 10, 2033	506,656
SM Investments Corporation	February 18, 2027	480,179
Robinsons Land Corporation	July 17, 2025	443,043
Robinsons Land Corporation	June 30, 2028	395,856
Aboitiz Equity Ventures, Inc.	August 6, 2027	362,934
Ayala Land Inc.	July 4, 2029	349,052
Aboitiz Equity Ventures, Inc.	August 9, 2025	342,713
SM Prime Holdings, Inc.	March 25, 2025	308,646
Aboitiz Equity Ventures, Inc.	September 21, 2033	297,134
Ayala Land Inc.	June 26, 2033	287,479
Robinsons Land Corporation	June 30, 2026	286,923
Ayala Land Inc.	May 5, 2028	281,251
Ayala Corporation Inc.	February 10, 2025	249,508
Aboitiz Equity Ventures, Inc.	June 18, 2029	244,713
Aboitiz Power Corporation	December 2, 2028	234,465
Ayala Land Inc.	May 6, 2026	228,583
NLEX Corporation	July 4, 2025	201,543
Filinvest Land, Inc.	August 20, 2025	198,659
Ayala Land Inc.	November 13, 2034	198,287
SM Prime Holdings, Inc.	March 25, 2027	192,781
Aboitiz Equity Ventures, Inc.	December 7, 2029	154,246
Ayala Land Inc.	May 2, 2027	96,724
Manila Electric Company	December 12, 2025	4,910
		17,888,900

Security description	No. of shares	Market value
Listed equity securities		
GT Capital Holdings, Inc.	10	9,900
		9,900
		17,898,800

10 Financial risk and capital management

10.1 Risk management process

The Fund's activities expose it to financial risks: market risk (primarily price risk and interest rate risk), credit risk and liquidity risk. The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund's financial performance.

The management of these risks is carried out by the Trustee under the policies approved by the Board of Directors. The Board of Directors approves written policies covering overall risk management. Any prospective investment shall be limited to the type of investments described in the Plan Rules of the Fund thereby limiting the risk exposure of the Fund to the risks inherent on investments approved by the investors.

The Fund's objective is to achieve for its participants capital appreciation and income derived from a diversified mix of preferred stocks and fixed income securities primarily issued by Philippine corporations. The Fund aims to provide returns in excess of the return of the BPI Philippine Corporate Bond Index.

10.2 Market risk

The Fund trades financial instruments, taking tactical and strategic positions in traded equity and fixed income instruments. Trading positions are reported at estimated market value with changes reflected in profit or loss. Trading positions are subject to various risk factors, which primarily include exposures to price and interest rate risk. Price risk arises from investments held by the Fund for which prices in the future are uncertain, while interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of the Fund's financial assets and liabilities and future cash flows.

The Fund's overall market position is monitored on a daily basis by the Trustee and is reviewed on a monthly basis by the Board of Directors. Compliance with the Fund's investment policies is reported to the Board of Directors on a monthly basis.

10.2.1 Interest rate risk

The Fund's interest rate risk exposure primarily relates to debt securities, pertaining to financial assets at FVTPL and time deposits, whose market values fluctuate as a result of changes in interest rates or factors specific to its issuer.

Interest rate risk is measured using duration and contained through duration limits. In addition, the Trustee manages interest rate risk through diversification and careful selection of securities and other financial instruments within specified limits as indicated in the Fund's Plan Rules.

The sensitivity to a reasonable possible change in market interest rates of the Fund's income before tax is approximated via modified duration approach.

The following table demonstrates the sensitivity to reasonable possible shift of ±100 bps in interest rates for the years ended December 31 with all other variables held constant:

	2025	2024
Increase in net assets attributable to holders of redeemable units and net income	678,396	557,171

10.2.2 Price risk

The Trustee manages price risk through diversification and careful selection of securities and other financial instruments within specified limits as indicated in the Fund's Plan Rules. The exposure of the Fund to a single entity and its related parties shall not exceed 15% of the NAV except for non-risk assets as defined by the BSP. In the case of exchange-traded equity securities, the maximum exposure of the Fund to each issuer shall be 15% or the benchmark percent weighting of the issuer, whichever is higher.

To estimate its exposure to price risk, the Trustee evaluates the impact of changes in the PSEi on the Fund's net income (loss) on financial assets at FVTPL for the years ended December 31:

	2025	2024
Changes in PSEi	17.19%	15.81%
Increase on net income (loss) on financial assets at FVTPL	678	509

The sensitivity analysis takes into account the annualized volatility of the PSEi for the past period. Annualized volatility determines how much the return of the Fund will deviate from normal returns because of the movement in the PSEi.

10.3 Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

The Fund's main credit exposures are from corporate debt securities classified as financial assets at FVTPL. The Fund is also exposed to counterparty credit risk on deposits in banks and receivables.

Credit risk is minimized through diversification or by investing in a variety of investments belonging to different sectors or industries. The table below is a summary of the percentage exposures of the Fund to each sector as at December 31:

	2025	2024
Property	42%	44%
Industrial	24%	19%
Holdings	13%	12%
Others	21%	25%
	100%	100%

In accordance with the Fund's policy, the Fund's overall credit position is monitored on a daily basis by the Trustee and is reviewed on a monthly basis by the Board of Directors. The Fund manages credit risk through the selection and approval of counterparties and brokers with stable credit ratings

All transactions in traded securities are coursed through approved counterparties. Pre-settlement and/or settlement risk exposures are earmarked against approved trading lines and lifted upon settlement of the transaction.

The maximum exposure to credit risk before any enhancements at December 31 is the carrying amount of the financial assets as set out below:

	2025	2024
Deposits in banks	640,217	296,759
Financial assets at FVTPL	21,464,069	17,888,900
Receivables	243,779	176,662
	22,348,065	18,362,321

For financial assets at amortized cost, the Fund measures credit risk and the expected credit losses (ECL) using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any ECL. As a result, no loss allowance has been recognized based on 12-month ECL as any such impairment would be insignificant to the Fund.

As at December 31, 2025, and 2024, all of the Fund's financial assets are classified as stage 1 accounts (performing). There are no financial assets classified under stages 2 (underperforming) and 3 (impaired).

The credit quality of the Fund's financial assets as at December 31, 2025 and 2024 follows:

(a) Deposits in banks

The Fund's deposit accounts are maintained with highly reputable universal banks in the Philippines with a credit rating of Baa2 for BPI and Baa3 for Rizal Commercial Banking Corporation by Moody's and BBB for Landbank of the Philippines by Fitch.

(b) Financial assets at FVTPL

The Fund invests primarily in high yield investment securities. Unrated securities are investments in various medium and long-term corporate debt securities that are from counterparties with no history of default with the Fund.

(c) Receivables

The Fund's receivables arise mainly from interest receivable, capital shares receivable and dividend receivable. The counterparties involved do not have any history of default with the Fund.

Interest receivable arises mainly from interest earned on deposits in banks and investments in corporate debt securities classified as financial assets at FVTPL.

Capital shares receivable pertains to subscriptions made by investors with outstanding collections as at year-end.

Dividend receivable arises from dividends declared but not yet distributed as of period end.

10.4 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions of redeemable units. It therefore invests the majority of its assets in investments that are regularly traded in an active market and can be readily disposed of. The Fund's investment portfolio consists mainly of equity securities listed in the Philippine Stock Exchange, deposit instruments and fixed income instruments that are regularly traded in active markets.

In accordance with the Fund's policy, the Trustee monitors the Fund's liquidity position on a daily basis and excess cash position is invested in securities that are readily realizable to ensure that redemptions are funded within the prescribed period indicated in the Fund's Plan Rules.

The Trustee also has in place a liquidity contingency plan drawn up specifically for its UITFs and other managed accounts. The liquidity contingency plan provides a framework for addressing potential liquidity crisis situations which consists of identifying early warning indicators of a potential liquidity problem, setting out response action plans and defining the roles and responsibilities of key units and personnel to effectively manage the liquidity situation and ensure client's liquidity requirements are met in a timely and orderly manner.

The Fund's financial liabilities pertain to trust fees payable and accrued professional fees, which are contractually due within twelve (12) months from the reporting date.

Overall, due to the Fund's structure and strong liquidity position, the liquidity risk exposure of the Fund is negligible.

10.5 Fair value of financial instruments

As at December 31, 2025, the Fund's financial assets at FVTPL representing listed equity securities amounting to P10,000 (2024 - P9,900) are classified under Level 1. Corporate debt securities amounting to P 21,464,069 (2024 - P17,888,900), which are designated at FVTPL are classified under Level 2. There are no financial instruments measured at fair value which are classified under Level 3. There were no transfers between the fair value hierarchy during the reporting period.

The fair value of listed equity securities which are listed in the Philippine Stock Exchange is based on the closing price in Bloomberg.

The fair value of Philippine corporate debt securities which are traded in active markets is based on the closing prices from PDEX. In the absence of done transactions, bid prices are used. In the absence of both closing and bid prices, the price is derived based on the corresponding government security reference rate plus risk premium.

The carrying amounts of the Fund's other financial assets and financial liabilities at reporting period approximate their fair values considering that these have short-term maturities.

10.6 Capital management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units as shown in the statements of financial position. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the unitholders of the Fund. Units are redeemed on demand at the holder's discretion.

As at reporting date, the Fund does not foresee any imminent significant redemptions as holders of these investments typically retain their holdings for the medium-term to long-term period.

The Fund is not subject to externally imposed minimum capital requirements.

11 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

11.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature, as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC):

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVTPL.

There are currently no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Fund’s financial statements.

Changes in accounting policy and disclosures

(a) New standard and amendments to standards adopted by the Fund

There are no new standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2025 that have a material effect on the financial statements of the Fund.

(b) New standards and amendments to existing standards not yet adopted by the Fund

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Fund. The Fund's assessment of the impact of these new standards and amendments is set out below:

i. Amendments to the Classification and Measurement of Financial Instruments – Amendments to PFRS 9 and PFRS 7 (effective for annual periods beginning on or after 1 January 2026)

   In May 2024, the International Accounting Standards Board (IASB) issued targeted amendments to International Financial Reporting Standard (IFRS) 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. In July 2024, the FSRSC adopted the targeted amendments to PFRS 9 and PFRS 7. These amendments:

   - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
   - clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion;
   - add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
   - update the disclosures for equity instruments designated at FVOCI.

ii. Annual Improvements to PFRS Accounting Standards – Volume 11 (effective for annual periods beginning on or after 1 January 2026)

   On 18 July 2024, the IASB has issued narrow amendments to PFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several PFRS Accounting Standards. The amended Standards are:

   - PFRS 1 First-time Adoption of Philippine Financial Reporting Standards;
   - PFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing PFRS 7;
   - PFRS 9 Financial Instruments;
   - PFRS 10 Consolidated Financial Statements; and
   - PAS 7 Statement of Cash Flows.

iii. PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

   PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The amendments to PFRS 9, PFRS 7 and PFRS 18, as well as the annual improvements to PFRS Accounting Standards are not expected to have a material financial impact to the financial statements of the Fund.

There are no other standards, amendments to existing standards or interpretations effective subsequent to January 1, 2026 that are considered relevant or would be expected to have a material impact on the Fund's financial statements.

11.2 Financial assets

11.2.1 Classification and subsequent measurement

The Fund applies PFRS 9 and classifies its financial assets in the following measurement categories: at FVTPL and at amortized cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on the Fund's business model for managing the asset and the cash flow characteristics of the asset.

Business model: The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Fund in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent SPPI (the SPPI test). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Fund reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Based on these factors, the Fund classifies its debt instruments into one of the following measurement categories:

- *Amortized cost*

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any ECL recognized and measured. Interest income on these financial assets is included in 'Interest income' using the effective interest rate method. Amortized cost financial assets include deposits in banks and receivables.

  Amortized cost financial assets include deposits held at call with a bank and short-term highly liquid investments with original maturities of three months or less from the date of acquisition, which are considered as cash and cash equivalents.

- *FVTPL*

Assets that are held for trading are measured at FVTPL. A gain or loss on a debt security that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statements of total comprehensive income under 'Net income (loss) on financial assets at fair value through profit or loss' in the period in which it arises. The Fund's investments in debt securities continue to be classified as FVTPL as disclosed in Notes 3 and 9.*Equity investments*

The Fund subsequently measures all equity investments at FVTPL.

Dividends, when representing a return on such investments, are recognized in profit or loss as dividend income when the Fund's right to receive payments is established. Gains and losses on equity investments at FVTPL are included in 'Net income (loss) on financial assets at FVTPL' in the statements of total comprehensive income. Equity investments classified as financial assets at FVTPL are disclosed in Notes 3 and 9.

11.2.2 Impairment

The Fund assesses on a forward-looking basis the ECL associated with its debt instrument carried at amortized cost. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Fund shall measure the loss allowance on deposits in banks and receivables at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the counterparties, probability that the counterparties will enter bankruptcy or financial reorganization, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

11.3 Financial liabilities

The Fund classifies its financial liabilities at amortized cost.

Financial liabilities measured at amortized cost include trust fee payable and accrued professional fees.

11.4 Fair value measurement

The Fund classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

11.5 Subscriptions and redemptions

Subscriptions and additional investments are recorded upon receipt of notice of subscription from unitholders. Redemptions are recorded upon receipt of notice of redemption.

11.6 Redeemable units

The Fund issues redeemable units, which are redeemable at the holder's option and are classified as equity in accordance with PAS 32, *Financial Instruments: Presentation*. The equity of the Fund is represented by the net assets attributable to holders of redeemable units. Each unit has the following features which allow it to be classified as an equity:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- the unit has no priority over other claims to the assets of the Fund on liquidation, and it does not need to be converted into another instrument before it is classified as such; and
- all units impose a contractual obligation on the Fund to deliver a pro rata share of its net assets on liquidation.

In addition, the Fund has no other financial instrument or contract that has:

- total cash flows based substantially on profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund (excluding any effects of such instrument or contract); and
- the effect of substantially restricting or fixing the residual return to the unitholders.

Should the redeemable units' terms or conditions change such that they do not comply with the strict criteria as mentioned above, the redeemable units would be reclassified to financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognized in equity.

Redeemable units are issued and redeemed at prices based on the Fund's trading NAV per unit at the time of issue or redemption. The Fund's trading NAV per unit is calculated by dividing the net assets attributable to the holders of redeemable units with the total number of outstanding redeemable units. In accordance with the provisions of the Fund's regulations, investment positions are valued based on the closing price for the purpose of determining the NAV per unit for subscriptions and redemptions.

Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV calculated in accordance with the Fund's regulations.

11.7 Revenue and expense recognition

Net income (loss) on financial assets at fair value through profit or loss

Net income (loss) on financial assets at FVTPL includes all realized and unrealized fair value changes and interest income.

Interest income on financial assets measured at amortized cost

Interest is recognized on a time-proportion basis using the effective interest rate method. Interest income on financial assets measured at amortized cost includes interest from deposits in banks.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Trust fees and other expenses

Expenses are recognized in the period in which they are incurred.

11.8 Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Fund primarily earns interest income from deposits in banks and investments in debt securities and dividend income from investments in listed equity securities. Both interest income on deposits in banks and investments in debt securities and dividend income from investments in listed equity securities are tax exempt under Republic Act No. 9505.

11.9 Functional and presentation currency

The subscriptions and redemptions of the Fund's redeemable units are denominated in Philippine Peso. The performance of the Fund is measured and reported to the investors in Philippine Peso. The Fund's Trustee considers the Philippine Peso as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Philippine Peso, which is the Fund's functional currency.

11.10 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or unitholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

11.11 Subsequent events (or events after the reporting date)

Post period-end events that provide additional information about the Fund’s position at the reporting date (adjusting events) are reflected in the financial statements. Post period-end events that are non-adjusting are also disclosed in the notes to financial statements when material.